

FOR OFFICIAL USE ONLY

JPRS L/9890

3 August 1981

Near East/North Africa Report

(FOUO 26/81)



FOREIGN BROADCAST INFORMATION SERVICE

FOR OFFICIAL USE ONLY

NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

COPYRIGHT LAWS AND REGULATIONS GOVERNING OWNERSHIP OF
MATERIALS REPRODUCED HEREIN REQUIRE THAT DISSEMINATION
OF THIS PUBLICATION BE RESTRICTED FOR OFFICIAL USE ONLY.

FOR OFFICIAL USE ONLY

JPRS L/9890

3 August 1981

NEAR EAST/NORTH AFRICA REPORT

(FOUO 26/81)

CONTENTS

OPEC AFFAIRS

Motives for Saudi Arabia's Stance in OPEC Discussed (AL-WATAN AL-'ARABI, 5-11 Jun 81)	1
OPEC's Negotiating Power Undercut by Collapse of Oil Prices (AL-WATAN AL-'ARABI, 19-25 Jun 81)	5

IRAN

French Journalist Comments on June 28 Explosion (Pierre de Villemarest; VALEURS ACTUELLES, 6 Jul 81)	7
---	---

IRAQ

Recent War Developments, Implications Discussed (AL-WATAN AL-'ARABI, 29 May-4 Jun 81)	10
--	----

LIBYA

Briefs Gold Transferred From Europe	14
--	----

- a -

[III - NE & A - 121 FOUO]

FOR OFFICIAL USE ONLY

OPEC AFFAIRS

MOTIVES FOR SAUDI ARABIA'S STANCE IN OPEC DISCUSSED :

Paris AL-WATAN AL-'ARABI in Arabic No 225, 5-11 Jun 81 pp 56-57

[Text] The division in the ranks of OPEC over the levels of production and prices was received with satisfaction by consumers. However their optimism is exaggerated, for as soon as the oil surplus disappears prices will automatically resume their rise. When will that happen? The answer is subject to the Saudis' position and the unfolding of events in the Middle East.

The decision to freeze the price of oil until the end of the current year was anticipated before the ministerial meeting of OPEC that was held in Geneva (25-26 May), but the announcement of an almost unanimous decision to cut back production was not expected. This represents the first time that OPEC has taken up the issue of production which used to be a private affair of the individual producing states' prerogatives and policies.

Perhaps the decision to cut back production and freeze prices can be described as a partial agreement or "an agreement to disagree" as Dr Soebroto, the chairman of the conference and the Indonesian minister of Oil has said. Saudi Arabia forced the hawks to freeze prices temporarily but it could not impose its strategy which it had proposed for linking pricing to the rates of growth and inflation in the capitalist West and to a basket of strong currencies, so that prices would gradually increase by a fixed reasonable amount. Thus once again the opportunity to control OPEC's decisions has eluded Saudi Arabia, even though its production represents 40 percent of all the member states' production.

It seems that lobbying had almost succeeded on the principal that the hawks would freeze prices until the end of 1982 in return for Saudi Arabia's raising the price of its oil from \$32 per barrel to \$34 or \$36 and cutting back its production from 10.3 million barrels a day to 9.5 or 8.5 million.

However the Saudi oil minister, Ahmad Zaki al-Yamani, stiffened his demands, tossing all predictions head over heels. He insisted on a rollback for African oil prices (Libya, Algeria, and Nigeria) from \$41 to \$38 or \$39 per barrel, and to accept the mentioned Saudi pricing strategy. At the end the two parties were left only with the impromptu solution proposed by Venezuela to freeze prices and cut back production by an average of 10 percent. This is a decision that is

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

non-binding on Saudi Arabia (which it has rejected) and is likewise non-binding on Iraq and Iran to enable them to raise their production which is presently reduced.

Production Cutback Will Not Absorb Surplus

The decision to cut back production will become effective from the first day of June 1981. It will amount to 1.5 million barrels a day. However this cutback plus the previous reductions that member states have resorted to in recent months (amounting to 12.6 percent of their production) will not guarantee that the oil surplus that now exists on the spot market and which is glutted with a surplus that is estimated at between 2 to 3 million barrels daily (largely the result of Saudi Arabia's high production level), will not be absorbed.

The actual prices of oil have recently increased spontaneously by a small percentage (4.8 percent) recently as a result of the increase in the cost of the dollar by which oil prices are posted. But Geneva's "half agreement" has left the issue of unified prices dangling. And in opposition to the proposed Saudi pricing strategy it seems that the time has not yet arrived so that an agreement can be reached on a specific principle on which to rely as a means for setting prices. Consequently the disparities in prices that have existed since 1979 hurt OPEC's unity in the eyes of its antagonists and enemies.

Dominant Factors In Saudi Decision

But why did the Saudis refuse to cut back production and raise prices?

There are a number of economic and internal political factors that made Saudi Arabia cling to its isolated position in OPEC.

Saudi Arabia has an interest in the stability of the capitalist economic system. That is because its consuming economy is tied, to a great extent, to the economies of the large industrial states, not to speak of the presence of huge financial investments that it has in the industrial world (estimated to be \$150 billion). Further it is vulnerable in case of an erosion or a deterioration in the Western economies which could, for instance, be a result of uncalculated jumps in the price of oil.

There are those who say that Saudi Arabia is afraid that in a time of increasing gloominess about oil prices the West will more rapidly turn to alternative energy sources, and thus Saudi oil will lose its role in insuring the needed imports for growth and likewise Saudi weight and political influence on both the international and regional spheres will deteriorate.

Oil in one form or another is still a political weapon either overtly or covertly. There is no doubt that the Saudi position recently stated in OPEC was viewed by the great throng of Western leaders, who have in recent times visited Saudi Arabia, with gratitude and acclaim. In return Saudi Arabia expects that this gratitude will translate into serious American and European efforts to put an end to Israeli intervention in Lebanon, and to find a just solution to the Palestinian problem and the Middle East crisis.

FOR OFFICIAL USE ONLY

However, this official Saudi reasoning which is given as a justification for its refusal to cut back production and raise prices---is open for discussion both within Saudi Arabia and the Arab world.

Opponents of Yamani's point of view claim that Saudi Arabia is losing between \$40 and \$60 million daily as a result of not raising prices and, further, that cutting back production to half its current level would suffice in providing for its financial and developmental needs. Some of them have even gone so far as to say that the West, particularly the U.S., has not reciprocated Saudi good intentions with appropriate actions and appreciation in restraining Israel's willfulness.

In any case the Saudi position does not seem to be final. Minister Yamani has already hinted at that when he said in a lecture he gave before the Geneva meeting convened that it would be difficult for Saudi Arabia to unilaterally support a certain position that is rejected by the rest of the member states of OPEC.

Western Delight Over OPEC's Dissension

The bitterness and disillusion amongst circles in OPEC which is the result of the continual division that occurs in the ranks of the organization is greeted with such satisfaction by the Western consumer nations, with the exception of Britain which profits from any rise in the price of oil inasmuch as it has been transformed into a producing state since the discovery of North Sea oil.

The Western nations know that the production cutback and the price freeze will not eliminate the ample oil surplus that exists on the spot market. And in the U.S. prices of stocks and bonds have resumed their rise from the moment the OPEC resolutions were announced.

There is no doubt that the economic sluggishness in the Western world helped to contribute to the oil surplus in the market, as a result of a decrease in consumption. The relative conversion to alternative energy sources such as coal and nuclear energy has also helped in that regard.

Libya, Algeria, and Iran comprise the OPEC "hawks." They demand large increases in prices and a production cutback, without any consideration being given to the effect that may have on the world's economy.

Iraq, Kuwait, and Venezuela on the other hand hold a moderate position. Mr Tayah 'Abd al-Karim, the Iraqi oil minister, says "We were hoping to achieve better results with respect to the over-supply of oil and for a unified pricing structure. We got only half way down the road."

The Iraqi minister sharply criticized the position of Libya and Iran. He said: "Our price policy is clear. It does not believe in wild price increases. Likewise we oppose the idea of a price freeze so long as the increases in costs due to inflation continue to be passed along on imports to us." He affirmed Iraq's calls for setting a gradual increase in prices that will take into consideration the inflation rate and the exchange rate of the dollar.

FOR OFFICIAL USE ONLY

The Iraqi Minister indicated that the door has been left open to Saudi Arabia to follow the example of the rest of the members in reducing the levels of production and adjusting the price of oil.

And now what about the expectations and predictions for the foreseeable future?

Western oil experts are optimistic. They anticipate a stabilization in the levels of prices and production in the present manner, and they even expect a new collapse in the price of oil on the spot market (\$34 a barrel at the present moment).

However that optimism is premature. For in the absence of a firm foundation for a pricing policy, prices are liable to rise just as much as they are liable to fall. Suffice it to say that as soon as the surplus disappears from the market the prices will automatically resume their rise.

There are those who expect that Saudi Arabia intends to raise the price of its oil by \$2 to \$34 a barrel, and to reduce its production as soon as the amounts of Iraqi and Iranian oil approach their former levels. And in addition to that likelihood when the Western economy begins to prosper again this will lead to renewed consumption and consequently an increase in prices.

COPYRIGHT: 1981 AL-WATAN AL-'ARABI

9587

CSO: 4304/40

4
FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

OPEC AFFAIRS

OPEC'S NEGOTIATING POWER UNDERCUT BY COLLAPSE OF OIL PRICES

Paris AL-WATAN AL-'ARABI in Arabic No 227, 19-25 Jun 81 p 57

[Text] For the first time since 1973 the fall in oil prices caused by the oil surplus in the world market has affected the negotiating ability of the oil countries with their customers, and consuming nations and the oil companies.

Most producing countries, including Libya, have been forced to lower their oil prices in the last week by \$4 on the average due to market pressure in order to keep their customers who have now begun to rely on the spot market which is glutted with an oil surplus that runs approximately at 2 to 3 million barrels of oil a day. Meanwhile the price per barrel has fallen from \$40 to only \$33, which is, only one dollar above the official Saudi price for oil and is near the posted price for Gulf oil.

It seems that OPEC as a result of political differences and economic rivalry has lost its ability to set a unified price for oil or to set limited price increases at a time when it currently should be adding a 20 percent increase this year just to guard their returns from the effects of inflation.

At the same time it is not likely that the reduction which was announced (10 percent) will help eliminate the oil surplus which is glutting the market.

It is expected that oil prices will continue to decline for the rest of this year, so long as the producing states, and especially Saudi Arabia, do not cut back production (Saudi Arabia's is currently 10.3 million barrels per day).

The Saudis say that they will not do this in the foreseeable future unless OPEC adopts the pricing strategy it has proposed which is established on the basis of tying prices to the rates of inflation and growth in the industrialized nations. By this it hopes to establish reasonable price increases instead of the haphazard jumps that have hurt the Western economy and which has produced inflationary results in the Arab economy.

It is believed that Saudi Arabia feels it is compelled out of a policy of Arab solidarity to continue its present very high production level in order to fulfill its contracts with many nations including some developing states that used to rely on Iraqi oil, the production of which has been curtailed by the circumstances of the war with Iran.

5
FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

Currently the pricing issue is split into two schools of thought: One anticipates that the price of oil will not increase by very much in the future from its present level. This prediction points out, as evidence, that the demand for oil which reached its peak in 1978 will not surpass this peak in the 80s.

One of the proponents of this view is Dr Mani' Sa'id al-'Utayba, minister of Oil of the United Arab Emirates, who believes that oil is now near a reasonable price. He supports the Saudi point of view that there should be a price freeze until the end of 1982.

The second school believes that the present rollback of oil prices and the oil surplus both represent a temporary phase for respite. It expects that oil prices will witness a rise in the coming period.

James Schlesinger, former U.S. secretary of Defense and Energy, supports this view. He says that there seems to be what could be a "petroleum cycle" which exists on the foundation of a rise in price that is then followed by disturbance and confusion in the market, then economic stagnation, and then a drop in price. Then finally there is a glut on the market and so on.

The case for cooperation with the Gulf Arab oil states further emphasized by oil experts, businessmen, and European economists who are strongly calling for coordination and discussion with these countries in order to guard against any interruption in the supplies of oil that might result from any acts of violence in the region--such as the recent one carried out by Israel against Iraq.

These people feel that both an oil production cutback and a limit on its exportation will not be a successful solution in the long run for stopping either the erosion of the true value of oil or the drop in its price.

They say that the solution lies in a genuine rise of the price of oil in a reasonable fashion along with the Western world's acceptance for a greater role of the Arab hydrocarbon industry so that it can export its products to Western markets.

On the Arab side it is believed that the current conditions on the oil market are "the inevitable result of the absence of a unified price structure for oil" according to the Iraqi Oil Minister, Mr Tayih 'Abd al-Karim.

He said that some of the oil exporting countries--in particular Iran and Libya--have played a principal role in spreading disorder in the oil market by their reckless pricing policies in the past 2 years.

The Iraqi Minister called on the OPEC organization to put a resolute stop to the deteriorating situation in the oil market by adopting a common production program that can provide a suitable climate for a unification of prices and which would enable the organization to resist any similar attempts to sunder its unity.

COPYRIGHT: 1981 AL-WATAN AL-'ARABI

9587
CSO: 4304/40

FOR OFFICIAL USE ONLY

IRAN

FRENCH JOURNALIST COMMENTS ON JUNE 28 EXPLOSION

Paris VALEURS ACTUELLES in French 6 Jul 81 pp 28-29

[Article by Pierre de Villemarest]

[Text] Ayatollah Hashemi-Rafsanjani, speaker of the Parliament, rose from his seat and left; Mullah Ahmad Khomeyni, son of the imam, had just summoned him to his home despite the late hour.

This was Sunday 28 June, at a closed-down school building located near Teheran's Bazaar, in the southern sector of the city, that is, in the middle of a popular quarter. The ayatollah had been taking part in a meeting of the IRP [Islamic Republican Party] parliamentary group: the organization of which he is a member and which has 130 deputies in the Chamber.

Customarily, this meeting is held on Monday nights at the party headquarters on Avenue Villa, more to the north, in what under the monarchy had been the banks and embassies section. But serious incidents had resulted in a change of time and place of the meeting: The day before, the imam-djomeh of Teheran, that is, the head of the capital's clergy, Ali Khamenei, had been wounded in an assassination attempt.

All the IRP deputies were not present: The meeting, the party's principal proceeding, included the hard core of President of the Supreme Court Ayatollah Beheshti's followers--some 30 persons.

A few minutes after Ayatollah Rafsanjani's departure, a second leading figure also rose and left the school, without any explanation: Prime Minister Mohamed Ali Rajai. Then suddenly, the explosion. The premises where the meeting was being held were totally destroyed. The 72 dead included 20 deputies, 10 ministers, and Mohamed Beheshti.

Immediately, at a press conference, the government spokesman, Mr Behzad Nabavi, mentioned several persons who could have been responsible for the massacre: followers of ex-President Bani Sadr, dismissed from his position 1 week before; members of the liberal lay party National Front; or even leftist religious militants. He did not, however, believe it to be "an army conspiracy."

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

The IRP for its part, in a communique, claimed that the crime had been organized by the CIA and the Israeli secret services together with Iraqi President Saddam Hussein.

But in Iranian public opinion, the facts appeared perfectly clear. The crime benefited the two who had "providentially" escaped it: Ayatollah Rafsanjani and Mr Rajai. And it was undoubtedly hatched by Imam Khomeyni himself. It was noted that the latter used extremely cold terms in the message of condolences he had addressed to the family of Ayatollah Beheshti, which merely acknowledged that "The Ayatollah was a good Muslim."

Aged 52, a former religious affairs official in the Ministry of Education, and former imam-djomeh of the Iranians residing in Germany, Ayatollah Beheshti had played a leading role during the 1978-1979 revolution. It was he who organized, first from Iraq, then from France, where Ruhollah Khomeyni had successively taken refuge, the distribution of messages recorded on cassettes. This "acoustic samizdat [Russian term for any means used in USSR to evade censorship of distributed matter]" mobilized the masses against the shah.

With the installation of the Republic in February 1979, Beheshti had devoted his efforts to organizing the majority party and reconstructing the Iranian state around this party. It was a difficult task, but one which he, to a certain extent, succeeded in accomplishing.

His clan, sometimes referred to as the "clan of the theologians," first eliminated the religious liberals, the followers of the Republic's first prime minister, Mr Mehdi Bazargan; then, the religious leftists, disciples of Ayatollah Tabatai and Ayatollah Taleghani; and lastly, the pan-Islamic inner circle, linked to the PLO and to Libya, and led by Ayatollah Khalkhali, former public prosecutor, and Ayatollah Montazeri.

Outside the IRP, Beheshti drew support from the Tudeh, the Iranian Communist Party, and from several small leftist or Trotskyite groups.

Last week, at the time of his assassination, he was seeking to have the Majlis, the Teheran Parliament, vote to legalize these organizations.

Mr Bani Sadr, ex-president of the Republic, himself the son of an ayatollah and a friend of the Khomeyni family, had grouped around him the former followers of Ayatollah Taleghani as well as two extremely leftist but violently anti-Soviet paramilitary organizations: Mojahedin (people's fighters) and the Fedayin (people's volunteers).

He also had the support of two regions that had remained in a state of semi-dissidence: Kurdistan in the west and Khorasan in the northeast. (The latter province will probably be, in the long run, the seat of the most powerful resistance against Khomeyni-ism, in that the power there is in the hands of a particularly orthodox ayatollah, Qomi, rector of the Koranic University of Meched.)

The imam had abandoned Mr Bani Sadr in the beginning of June, removing him from command of the armed forces, and then, authorizing his deposition by the Parliament. This appeared to swing the balance of power in favor of Beheshti and the IRP. But the Bazaar massacre restored the balance.

FOR OFFICIAL USE ONLY

The imam had already indicated at least once in the past that he did not trust Mohamed Beheshti. In 1979, he had decreed that the president of the Republic must be a layman--a measure designed to prevent, under any circumstances, a situation wherein a head of state, elected by the people and at the same time a member of the high clergy, might compete with "God's representative." But also a measure directed, almost by name, against Beheshti, who was planning to have himself designated a candidate by the majority party.

The "ayatollah of the cassettes" occupied a very special place among the leaders of the revolution. Unlike Ruhollah Khomeyni, he took an interest in Western culture. During his stay in Europe, he learned German and English and, somewhat superficially, French. In Hamburg, he even frequented a Masonic lodge, under the protection of a minister of the shah, Mr Sharif-Emami.

In power, while ostensibly leaning for support on the Iranian Communist Party, and while maintaining close ties with the Soviet Embassy, Beheshti also maintained contacts with the Americans. A few days before Ayatollah Beheshti was assassinated, the NEW YORK TIMES published a study on Iran stating that the West needed a "strongman" like him, backed by a structured party and religious legitimacy.

Initially at least, the disappearance of Beheshti has restored to power the clans of Ayatollah Khalkhali and Ayatollah Montazeri. The word in Teheran is that the latter are being pressed to make peace with Iraq--perhaps owing to a mediation by pro-Soviet Libya.

COPYRIGHT: 1981 "Valeurs actuelles"

9399

CSO: 4619/14

FOR OFFICIAL USE ONLY

IRAQ

RECENT WAR DEVELOPMENTS, IMPLICATIONS DISCUSSED

Paris AL-WATAN AL-'ARABI in Arabic No 224 29 May - 4 Jun 81 pp 36,37

[Article: "Will Tehran Have the Courage to Seek Peace? The Iraqi Summer in the Iranian Spring"]

[Text] In recent weeks, international concern over the Lebanese crisis has diverted Arab and foreign media from following the so-called spring offensive in the Iraq-Iran war. There had been considerable discussion about the offensive last winter and about the concern over increasing Syrian-Iranian collusion in the open confrontation. But what has really happened in the spring of the war?

Baghdad--'AL-WATAN AL-'ARABI'

The Iranian offensive has not been a sudden question for anyone in Iraq or in the circles of observers outside the war region. The military triumphs won by the Iraqi army from the first moments of the outbreak of hostilities, which the political leaders wished to be limited in order to leave the door open for negotiations, have not led to a true dialogue thus far because the nature of the internal developments that Iran has experienced since the fall of the shah have continuously prevented negotiations.

The Imam Khomeyni is struggling internally against several fronts. Likewise, Iranian President Bani Sadr and the U.S.-Soviet vying in the Iranian arena over what has become disjointed is polarizing domestic parties. In short, since the war began the ranks of Iranian leaders have not included anyone who will risk making peace, and it is not in the interest of foreign forces pressuring Iran to have Tehran emerge from its plight. The Americans want to return there, and the Soviets want the popular leadership to "renounce" the ayatollah's rule so that the Left will advance by making new political gains at the decision-making level.

The Military Temptations

While Iraq was asserting its readiness time after time to end the war by direct negotiation so that it could turn its attention to other important matters--the Arab-Israeli struggle on the one hand, and on the other, domestic progress in all its forms--the Tehran rulers were deciding to adopt a completely negative attitude because the internal fragmentation they are undergoing does not permit them to make a bold decision to enter into negotiation.

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

Iraq has persisted quietly in resisting the use of military "temptations" in the form of an expansion of the extent of control and occupation over new positions along the lines of combat in order to push the crisis to its conclusion. Within the Iraqi leadership there were those who advocated greater restraint while Islamic efforts and the efforts of the nonaligned bloc achieve an end to the conflict, because fresh blood spilled over the land will result in new claims and will complicate the opportunities for negotiations.

The spring saw all of the military and political realities on the battleground, the most marked being perhaps that the Iranians had lost their wager that they would divide the domestic front in Iraq, which faced the historic challenge with splendid cohesiveness, whereas the new experiment that Iran is going through is creating dangerous political balances. The Iranians who had come forth after the shah's downfall to build a democratic society of greater justice without discrimination or class distinction internally and without racial disputes with other nations found themselves faced with two defeats simultaneously: a humiliating spiritual defeat in terms of the new institutions (which have not yet come into being) and a military defeat which placed the regional and international forces, which supported the Iranian change, in a position of wariness and watchfulness. There is a French saying: "Failure has no friends."

The Plan...and the Surprise

The Iranian leadership had to make a choice, and they chose to pursue the military adventure, in the hope it would bring some gains of land that would save the domestic situation from the divisiveness affecting it. Thus it paved the way for what was called the "spring offensive." The Iranian plan was based on three stages:

1. The Special Forces (Commandos) Brigade would set out to occupy Qasr-e Shirin in heavy landing operations using helicopters;
2. An infantry of 5,000 men would thrust across the Kujar Pass;
3. An infantry support force of 7,000 soldiers armed with anti-armor shells, would effect the success of the third stage of the plan, after the infantry force had spread out across the pass.

It seemed evident that the Iranian "commando" force was charged with occupying Qasr-e Shirin, penetrating Iraqi territory--even if only a few kilometers--and then heading south to link up with the infantry force that would have carried out the occupation of the Kujar Pass. The two forces would then push toward the Iraqi borders in order to occupy the city of Mandali and meet north of that city after cutting the supply lines of the Iraqi forces.

The Iranians implemented their plan. At night, helicopters landed the "commando" brigade in the rugged hills around Qasr-e Shirin, and the infantry forces set out for the Kujar Pass. But the Iraqi movement was a complete surprise.

When the Iranian landing was being carried out, the Iraqi forces made a special landing behind the Iranian "commando" lines and engaged the Iranian brigade in

FOR OFFICIAL USE ONLY

fierce combat. When the Iranians were convinced that their soldiers were suffering heavy losses and that the force that had been landed was no longer capable of carrying out the mission according to the plan it was given, they intended to withdraw what was left of it. In that context, an Iranian official indicated that Iran had "lost the best of its fighters in that encounter."

On the Iraqi side, after midnight, an armored force moved to an area northeast of the Iranian force in the Kujar Pass and surrounded it. Iraqi helicopters began a rapid landing operation behind the lines of the 7000-man infantry force armed with "RPG" shells, preventing it from either advancing or withdrawing.

He Was There

Of course the Iranians had not foreseen the outcome, namely, that 12,000 Iranian soldiers would either be killed, wounded or captured; in other words, that Iran would lose over 10,000 men in the "spring offensive"!

The Iraqi media presented details of the new victory and were content to state that Iraqi President Saddam Husayn was there among the fighting men, hundreds of meters away from the front line of the battle. At one moment he held up his rifle and called out: "I am here with you, soldiers. Let's go, men."

In Tehran, the Iranian president was warning of the "danger of collapse" within Iran. He neglected to state clearly that the army that was winning the victories was the army that believes in its cause and its leadership and is supported politically and militarily by a firm domestic front. It believes in peace and fights for peace rather than in order to change the domestic equation in the struggle for power.

The Language of Reason

In a television interview with a captured Iranian pilot, a new aspect of the Syrian role in the present war was revealed, confirming what the Iraqi authorities had announced after the raid on al-Walid airport last 12 April.

The pilot, First Lieutenant Kawah Kurbayah, said that he took part in the raid, flying in Syrian air space both going and returning, and with Syrian support.

He clarified in the interview that the Iranian planes took off from the Sharukhi base, flying toward Lake ar-Rida'iyah. There the planes refueled, entered Turkish airspace and then Syrian airspace, where two planes again supplied them with fuel in the Syrian skies, to permit them to carry out the raid on the Iraqi al-Walid airport and return to Syrian airspace, where they were once more refueled.

The pilot added that one of the Iranian planes had been hit in the raid and had to land, as agreed to, at an airfield near the Syrian town of Dayr al-Zur. Its pilot was then transported by helicopter to Damascus airport and from there by another plane to Tehran.

FOR OFFICIAL USE ONLY

Has the Iranian spring offensive sufficed to convince the Iranian authorities to use reason in the present conflict, or will the Iranian internal situation continue to be dominated by the Iranian military attitude? Until now the spring offensive has been an Iraqi summer. What surprises do the coming months conceal?

Perhaps the coming weeks will bring the first answer.

COPYRIGHT: 1981 AL-WATAN AL-'ARABI

5346

CSO: 4304/36

FOR OFFICIAL USE ONLY

LIBYA

BRIEFS

GOLD TRANSFERRED FROM EUROPE--Libya has transferred most of its recently purchased reserves from European banks to Tripoli as a precaution against the risk of having it frozen, as was the case with Iran in 1979. This step was taken following the deterioration in relations between Libya and the U.S. and western nations after Libyan adventures in Africa. Libya had bought large amounts of gold since the end of last year. Its reserves of the yellow metal now amount to around 113 tons, compared to 83 tons last September. At that time the price of gold was subject to decline, having registered a drop of \$100 per ounce. [Text] [Paris AL-WATAN AL-'ARABI in Arabic No 229, 3-9 Jul 81 p 53] [COPYRIGHT: Rene Moreux et Cie Paris 1981]

CSO: 4504/36

END

FOR OFFICIAL USE ONLY